Interest rate on agricultural loan

1668. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that inspite of the Finance Minister's announcement in the budget that the commercial banks would charge a lower interest rate on loans for agriculture, the proposal has still not been implemented;

(b) if so, the reasons therefor; and

(c) the action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Consequent on the statement made while presenting Union Budget on 28th February, 2003 regarding the need for passing on the benefits of lower rates of interest to agriculture and the SSI Sector, the Indian Banks Association (IBA) has advised all its member banks on 5th March, 2003 to take appropriate action in the matter of introduction of interest rate band of 2% above and below its Prime Lending Rate (PLR) for secured advances. Subsequently the IBA on 12.7.2003 advised all public sector banks that the rate of interest on crop loan upto Rs. 50,000/- should not exceed 9%.

Attachment of properties of defaulting NBFCs

1669. SHRI ABANI ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Government have decided to empower the Company Law Board to order unconditional attachment of properties of defaulting non-banking financial companies in a bid to ensure investors' protection against vanishing companies;

(b) if so, whether the attachment of properties of defaulting NBFCs is going to protect investors; and

(c) if so, to what extent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Financial Companies Regulation Bill, 2000, is at present under consideration of Government. In this it is proposed that Company Law Board (CLB) would continue to

be the adjudicating authority for depositors of financial companies. The CLB would however be empowered to prohibit alienation of assets by defaulting financial companies and to attach and sell their assets for effecting repayment of the deposits. The management of such assets would be vested with a recovery officer to be appointed by the CLB.

Unclaimed amount in banks in Andhra Pradesh

1670. DR. C. NARAYANA REDDY : Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 218 given in the Rajya Sabha on 22nd July, 2003 and state:

(a) what is aggregate of unclaimed amount lying in banks in Andhra Pradesh;

(b) what are the main reasons therefor; and

(c) what action Government propose to take in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and (b) Reserve Bank of India (RBI) have reported that data generation system of RBI does not generate the data in the manner asked for. However, total unclaimed deposits with Scheduled Commercial Banks as on 31st December, 2002 were of Rs. 680.05 crores.

(c) Amendments in Banking Regulation are under consideration of the Government by which unclaimed deposits will be credited to a Depositors' Protection Trust Fund.

Credit limit of NABARD

1671. SHRIMATI SAVITA SHARDA: Will the Minister of FINANCE be pleased to state:

(a) whether there is a proposal under Government's consideration for increasing the credit facility (credit line) being received by the National Bank for Agricultural and Rural Development (NABARD) from RBI from existing Rs.6500 crores to Rs.15,000 crores;

(b) if so, the details thereof; and

(c) by when a final decision is likely to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Reserve Bank of India (RBI)